

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7481**

**BILL NUMBER:** HB 1521

**NOTE PREPARED:** Jan 17, 2011

**BILL AMENDED:**

**SUBJECT:** Fee for Disposable Carryout Bags.

**FIRST AUTHOR:** Rep. VanDenburgh

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** \_\_\_ GENERAL  
                          **X** DEDICATED  
                          FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill provides that a retail merchant who furnishes disposable carryout bags to a customer for carrying merchandise purchased in a retail transaction shall collect a fee of ten cents for each disposable carryout bag accepted by the customer. It provides that a retail merchant who furnishes disposable carryout bags to customers for use in carrying merchandise purchased in a retail transaction shall also offer reusable carryout bags for sale to customers. This bill also appropriates 25% of the fees for disposable carryout bags collected by retail merchants to the Indiana Economic Development Corporation for the green industries fund. It appropriates 75% of the fees for disposable carryout bags collected by retail merchants to the Department of Education for supplemental distributions to school corporations, including charter schools, for use by school corporations for any lawful purpose.

**Effective Date:** January 1, 2012.

**Explanation of State Expenditures:** *Department of State Revenue (DOR):* This bill will increase the administrative costs of the DOR. The DOR will have to update computer software in order to collect the disposable carryout bag fee. The DOR reports that approximately 120,000 retailers would be remitting the fee and it would cost a one time fee of approximately \$250,000 to implement the new fee in the online tax filing system.

**Explanation of State Revenues:** *Fee for Disposable Carryout Bags:* This bill provides that a retail merchant who furnishes disposable carryout bags to a customer for carrying merchandise purchased in a retail transaction must collect a fee of \$0.10 for each disposable carryout bag accepted by the customer. There is no data to determine the amount of fees that would be collected. The bill appropriates 25% of the fees collected to the Indiana Economic Development Corporation (IEDC) for the Green Industries Fund and

75% of the fees to the Department of Education for supplemental distributions to school corporations, including charter schools, for use by school corporations for any lawful purpose.

**Background Information on the Green Industries Fund-** The Green Industries Fund provides grants and loans to Indiana Manufacturing companies for the following purposes:

1. To strengthen Indiana's economy by focusing investment in advanced manufacturing clusters focused on more energy efficient and environmentally sustainable technologies, processes, and products.
2. To accelerate job creation through training and education initiatives to enhance the skills and employment prospects of Indiana's workforce in green industries.
3. To facilitate the redevelopment of Indiana manufacturing sites, facilities, and processes to operate in a more energy efficient and environmentally sustainable manner.
4. To stimulate the development of technologies, processes and products that reduce energy consumption or lower emissions in the market of their intended use.
5. To encourage public-private partnerships focused on development of green industries among Indiana manufacturing companies, public or private educational institutions, nonprofit organizations and charitable foundations, research and development organizations, and state agencies.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IEDC; DOR.

**Local Agencies Affected:**

**Information Sources:** Tom Conley; DOR; 317-232-2107.

**Fiscal Analyst:** Diana Agidi, 317-232-9867.